

# Combating Cyber Crime and Identity Theft

**AG's Office Drafted, and Legislature Passed, Tough New Identity-Theft Law; New Regional Computer Forensic Laboratory was Key Asset in Pursuing Sexual Predators and Other Cyber Criminals**





As technology continued to evolve and permeate the mass market in 2003-2004, attempts to exploit that technology by sexual predators, con artists, identity thieves and other cyber-criminals presented an ongoing challenge. The Attorney General's Office countered that challenge through a vigorous, multi-faceted attack on cyber crime and identity theft that employed legislation, public awareness, civil litigation and, where appropriate, criminal prosecution.

The Attorney General's Office worked with the Legislature to develop a landmark bill — one that was ultimately approved and signed into law — designed to crack down on the crime of identity theft. The law eliminated, in cases of identity theft, the “presumption of non-incarceration” usually associated with third-degree crimes in New Jersey. Simply put, the new law meant that anyone convicted of a third-degree, identity-theft-related crime now faced the very real possibility of going to jail. In addition, the bill created a new, second-degree crime of using a false driver's license (or other phony government credential) to obtain a “legitimate” driver's license or other government document that could be used to verify identity. The law also gives victims a remedy unique to New Jersey. The law provides for the payment of restitution to identity theft victims and the removal — by order of the court — of all “bad credit” indicators resulting from identity theft.

## Regional Computer Forensic Laboratory

An integral tool in the effort by the Attorney General's Office to fight cyber-crime is the Regional Computer Forensics Laboratory (RCFL). A world-class project that puts

New Jersey on the leading edge of forensic crime-solving technology, the RCFL is located in Hamilton Township, Mercer County. It is part of a sprawling, \$83.5 million complex that also houses the new State Police Troop “C” Headquarters, a communications center, and various other facilities used by State Police, the New Jersey Office of Counter-Terrorism within the Attorney General's Office, and the Office of Information Technology within the New Jersey Department of Treasury.

The RCFL involves a unique partnership combining the resources of the Attorney General's Office, the FBI and local law enforcement agencies. Under the RCFL program, highly trained and experienced personnel from the State Police and Division of Criminal Justice join members of the FBI and local law enforcement in working as computer forensic examiners. The RCFL examiners handle computer analysis exclusively for the purpose of supporting criminal investigations, including activity related to: terrorism, the accessing and/or circulation of child pornography, insurance fraud, identity theft, financial fraud, on-line luring by sexual predators, and such emerging criminal activity as theft or destruction of a data base via “hacking.”

One of the duties of RCFL examiners is to accompany criminal case investigators who are executing search warrants. When a computer believed to be related to criminal conduct is seized, it is the RCFL examiner who retrieves it. From there, the computer is transported to the RCFL facility and examined for evidence. Any evidence is then turned over to the case investigator and, if required, the RCFL examiner will provide expert testimony at related court proceedings.

Opened in 2004, the RCFL is a critical asset in the war on cyber-crime, which has been steadily on the rise. (In the year 2000, the Division of Criminal Justice's Computer

Analysis and Technology Unit (CATU) examined 37 computers for potential crimes. By 2003, that number had increased to 143, with a similar increase shown in the number of floppy disks searched.)

Case highlights include:

- ❖ **The obtaining of a guilty plea from a Monmouth County man on charges that he stole more than \$50,000** from persons who paid him for electronic merchandise they believed they'd purchased through Internet-based auction sites he operated. The scheme victimized 22 individuals in 17 states.
- ❖ **The obtaining of a five-year State Prison sentence against a Cape May County man who pleaded guilty to the possession and distribution of child pornography.** The defendant, Steven Allegretto, admitted uploading a child pornography image to an undercover Web site operated by State investigators assigned to the Division of Criminal Justice's Computer Analysis & Technology Unit.
- ❖ **The obtaining of a settlement agreement resolving allegations of fraud against Alyon Technologies, Inc., a North-Jersey-based Internet company accused of linking unwitting Internet users to pornographic “pop-up” images,** and billing them for Web-based services not requested by consumers. According to Attorney General Harvey, the State received more than 700 consumer complaints about Alyon — more than half of them from New Jersey residents, the remainder from consumers in states across the country. In most cases, consumers complained that they'd received bills from Alyon or its billing agent — often in the \$150 range — for access to on-line pornography they had not sought. The problem was, in part, traced to a proprietary computer program employed by Alyon.
- ❖ **The arrest of a Monmouth County man on charges of trying to engage a purported 14-year-old juvenile in a sexual encounter,** and transmitting images of sex acts via the Internet. The “juvenile” was actually a State Investigator assigned to the Division of Criminal Justice's CATU. At the time of this writing, charges were still pending against the defendant, who faced up to 25 years in State prison and a fine of up to \$325,000 if convicted on various felony counts.